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1 April 1954

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MEMORANDUM FOR: Executive Secretary
Project Review Committee

SUBJECT: Long Range Considerations in the Approval of Referenced Project.

REFERENCE: Memo dtd 12 Mar to PRC thru DD/I fr AD/SI, sub: "Transmittal of Project Outline on 'Study of Techniques, Methods, and Procedures for use in Electronic Intercept Activities.'"

1. The following comments are submitted in response to the request of the Acting Chairman of the Project Review Committee, Mr. Wisner, made at the time the referenced Project was considered and recommended for approval on 31 March 1954:

- a. Referenced Project would appear to be of the highest priority and there would appear to be no policy questions which should deter the Director's approval of this Project and its subsequent implementation as a matter of high priority.
- b. It is extremely important, however, that the Project be thoroughly coordinated with other interested Government agencies to insure that there is no unnecessary duplication of effort or any grounds for allegations to this effect.
- c. Conceivably, the results to be obtained from the Project and related information might prompt the expenditure of very substantial sums of money and the product of this type of activity might rival the NSA product in its value to the national intelligence effort.
- d. Prior to embarking upon any program of this possible magnitude, CIA should insure that the responsibility for performing this function is clearly delineated and properly placed in the organizational structure of the intelligence community. If it should be determined that CIA should accept responsibility for actually carrying out this function, careful consideration should be given to the budgetary implications thereof prior to making the commitment to assume the responsibility.

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- e. In view of the fact that it is likely that the Bureau of the Budget and the Congress may not readily appreciate the significance and importance of any such new undertaking, and, consequently, might not be too sympathetic to an increase in our annual appropriation for this purpose, it might be well to lay the groundwork for such an increased budget prior to actually making a commitment.

2. In connection with this Project, as well as others which we might consider undertaking on behalf of other Government agencies or the intelligence community, we should carefully consider in each instance whether it is appropriate for these agencies to reimburse us for the expenses we incur on their behalf. For example, we already have 25X1C

at an annual cost of approximately no reimbursement.

3. It seems obvious that both the Bureau of the Budget and the Congress are going to scrutinize more carefully each year the budget estimates of the intelligence community as a whole and the coordination, possible duplication, transfers, reimbursements, etc., in greater detail than has been the case historically. I, therefore, feel strongly that unless CIA is careful to insure that it is reimbursed, at least in part, for additional activities which it undertakes, either on behalf of another Government agency or the intelligence community as a whole, or, arrangements are made to insure that it receives comparable additional appropriations, we may find that we have a high priority program started which must be continued and which can be continued only by sacrificing other projects which are vital to CIA or to the intelligence community.

/s/
L. E. WHITE
Acting Deputy Director
(Administration)

cc: DD/P
DD/I
Comptroller
Inspector General

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